

[ARGUMENT AGAINST PROPOSITION 87]

AREN'T GAS PRICES HIGH ENOUGH ALREADY?

DO WE REALLY WANT TO INCREASE OIL TAXES BY ANOTHER \$4 BILLION?

We all agree we need to advance alternative energy. But Proposition 87 is *not* the way to get there. Increasing California oil taxes by \$4 BILLION to fund a new state bureaucracy – that isn't even required to produce results – is a recipe for *waste*, not progress.

It's also the road to more problems...

HIGHER TAXES ON DOMESTIC OIL = MORE DEPENDENCE ON FOREIGN OIL

Economists report that taxing California oil production will reduce instate oil production, and increase our dependence on foreign oil. Oil from the Middle East and other countries costs more to get here and costs more to refine once here.

HIGHER OIL TAXES, HIGHER GAS PRICES

Prop 87's sponsors *claim* it won't increase gas prices. Are voters supposed to believe a \$4 BILLION tax increase on California oil won't impact gas prices at the pump?

PROP 87 CREATES A NEW STATE BUREAUCRACY WITH 50 POLITICAL APPOINTEES.

It lets them spend taxes outside the normal checks and balances that govern other state agencies, outside the state budget review process, and exempt from important laws and taxpayer safeguards that apply to other agencies.

PROP 87 LETS THE NEW BUREAUCRACY KEEP SPENDING EVEN IF THEY'RE NOT PRODUCING RESULTS.

It lets the political appointees tax and spend, year after year after year, even if they're making absolutely no progress reducing oil consumption or advancing alternative energy use.

PROP 87 ROBS SCHOOLS OF THEIR FAIR SHARE OF NEW REVENUES.

**SUBJECT TO COURT
ORDERED CHANGES**

7/14/06 at 4:07 PM

One of the most important protections our schools have is a constitutional guarantee that a portion of new state tax revenues be spent in the classroom. But Prop 87 excludes itself from that requirement. One of California's leading education finance experts and the former Secretary of Education reports: *"At a time when California school funding is already below the national average, Prop 87 could deny schools their fair share of up to \$1.9 billion in new revenues over the next 10 years."*

PROP 87 WOULD REDUCE TAX REVENUES USED FOR EDUCATION, PUBLIC SAFETY, HEALTH CARE AND TRANSPORTATION NEEDS.

Prop 87 would reduce general fund and property tax revenues. Read the Legislative Analyst's report in your voter pamphlet.

HIGHER GAS PRICES HURT FAMILIES, SMALL BUSINESSES AND SENIORS.

Everyone bears the cost of high gas prices. The last thing we need is a ballot proposition that further drives up oil prices.

EVERYONE AGREES WE NEED TO ADVANCE ALTERNATIVE ENERGY, BUT PROP 87 IS *NOT* THE WAY TO GET THERE.

"Gasoline prices in California are high enough already. Proposition 87 would just add insult to injury. This \$4 billion oil tax would result in even higher gas prices at the pump. We recommend drivers vote: NO on 87."

Thomas V. McKernan

President and CEO

Automobile Club of Southern California

Join more than 150 organizations, taxpayer groups, consumers, California businesses, labor, parents, educators, seniors, and public safety officials...

VOTE NO on 87.

It's a recipe for waste, not progress.

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ORDERED CHANGES**

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